**Agenda Item: Consideration of Proposed Millage Rate for FY 2025–2026**

As part of the Truth in Millage (TRIM) process and in preparation for the upcoming fiscal year, the City must establish a proposed millage rate to be reported to the Property Appraiser. The selected rate will also be used for public noticing and budget development purposes.

**Millage Rate Options:**

The following three millage rate options are presented for consideration. Each reflects a different fiscal approach and revenue outcome based on the City's certified taxable value.

| Millage Rate | Description | Estimated Ad Valorem Revenue |
|---|---|---|
| 4.9000 | Current Millage Rate | $5,491,910 |
| 5.5002 | Maximum Millage Rate | $6,164,614 |
| 4.6626 | Rolled-Back Rate | $5,225,833 |

**Comparative Analysis of Millage Rates and Ad Valorem Revenue**

In the Fiscal Year 2025 budget, the City adopted a millage rate of 4.9000 mills, which generated approximately $5,190,782 in Ad Valorem tax revenue.

For Fiscal Year 2026, three millage rate options are under consideration:

- Maintaining the current rate of 4.9000 mills would result in an estimated revenue of $5,491,910, reflecting an increase of approximately $301,128 over the prior year, due to growth in the taxable value base.

- Adopting the maximum rate of 5.5002 mills would generate approximately $6,164,614, an increase of $973,832 compared to the current revenue, providing the greatest budgetary flexibility.

- Setting the rate at the rolled-back rate of 4.6626 mills would yield approximately $5,225,833, a modest increase of $35,051 over the prior year's revenue, while effectively keeping tax bills at the same level for existing properties.

This comparison illustrates how each proposed rate impacts projected revenue and informs the City's capacity to address service needs, capital priorities, and long-term financial planning.

**Recommendation:**

Staff recommends that Council review the proposed options and select a tentative millage rate to be included in the TRIM notification.

**PLEASE NOTE: This rate can be lowered at future budget hearings, but _cannot_ be increased.**